Rs. 50,000/- should be collateral free. Further, Indian Banks' Association has advised public sector commercial banks in the year 2003 to charge interest rate of not more than 9% p.a. on crop loans upto Rs. 50,000/-

Circulation of fake currency notes

664. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) Whether counterfeit currency notes, particularly of higher denomination, are in circulation in large scale across the country;

(b) if so, the number of cases detected during the last three years;

(c) whether Government are aware that counterfeit currency notes have been dispensed through banks, cash counters and ATMs,

(d) if so, the number of such cases detected and action taken in each case;

(e) in what manner the customers, who have received counterfeit currency through a bank's cash counter/ATM, get them replaced with a genuine notes; and

(f) what measures are contemplated to prevent circulation of counterfeit currency notes in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India (RBI) have reported that the number of counterfeit banknotes detected in the banking system during the last three years has been declining. Details in this regard are given below:—

2002-03		2003-04		2004-05	
Pieces	Value	Pieces	Value	Pieces	Value
211754	35017800	205226	27612540	181928	24379460

(c) and (d) RBI has received three complaints from the public in this regard during the last two years in respect of receipt of counterfeit bank notes from the ATMs. They have issued instructions to banks to put in place adequate safeguards to contain this menace.

(e) There is no mechanism in the ATMs for maintaining or recording the identity of the notes disbursed. It would, therefore, not be possible for any bank to verify whether a particular forged note was actually disbursed through its ATM. Most Banks, RBI understands, however, replace such notes in the interest of better customer relationship. Counterfeit banknotes, if disbursed at the case counters, are usually replaced immediately.

(f) Recently, new/additional security features have been introduced by RBI to curb counterfeiting of banknotes. The new/additional security features in the banknotes of denomination of Rs. 50, Rs. 100, Rs. 500 and Rs. 1000 pertain to security thread which is demetalised, magnetic and machine readable with colour shift, more prominent intaglio printing, anti photo copying features, latent image, micro lattering, electrolyte water mark where high light watermark of denominational numeral to be located alongside Mahatma Gandhi Watermark.

Use of own ink for currency notes

665. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are going to use its own ink on its currency notes;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government of India Printing Presses are procuring inks for use in Bank Notes from M/s SICPA (India) Pvt. Ltd. and from the Ink Factory at Bank Note press, Dewas. Bhartiya Reserve Bank Note Mudran (Pvt.) Limited Printing Presses are procuring ink from M/s SICPA (India) Pvt. Ltd.

(b) and (c) Government of India has constituted a Standing Committee of Experts on Issues related to Research and Development and Indigenisation in Security Presses/ Mills/ Mints. The Committee will examine the methodology to be followed to complete indigenisation of all inputs for currency notes/security documents/coins.